NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Avon South Salvage Timber Sale is located within Section 16, T9N-R8W, on the State's Anaconda Unit. Approximately 4,209 tons of sawlogs, consisting of beetle killed lodgepole pine and green Douglas-fir is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on July 7, 2008 at 2:00 p.m. Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received. Bids must be accompanied by a deposit of \$3,695.00, representing 5% of the minimum bid of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within **15** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Southwestern Land Office in Missoula (406-542-4200), or the Anaconda Unit (406-563-6078).

Visit our website at http://www.dnrc.mt.gov Online Services for upcoming sales and bid results

/s/ David A. Groeschl, Chief Forest Management Bureau Trust Land Mgmt Division

Publication Dates: June 18 & 25, 2008

TIMBER SALE PROSPECTUS MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Avon South Salvage
Timber Sale Location: Section 16, T9N-R8W

For specific sale information, contact:

Phone 406-563-6078 Brian Robbins Unit Office: Anaconda

For copies of the Timber Sale Contract and bid forms, contact:

Phone 406-542-4300 Forest Management Bureau DNRC Missoula Office

Phone 406-542-4200 Southwestern Land Office

General Bidding Information

1. Bids must be submitted on standard DNRC bid forms.

- 2. Timber will be sold to the highest responsible bidder; however, the Department reserves the right to reject any or all bids.
- 3. DNRC recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
- 4. A **bid guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, bank money order, bank draft, surety bond or irrevocable letter of credit.
- 5. The Purchaser must submit a **performance bond** within **15** days of the sale award. It will amount to 20% or more of the bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract.
- 6. The Purchaser must submit an **advance stumpage payment** prior to cutting any timber. The amount of the advance will be based on the expected harvest rate and the bid value of the stumpage. The advance may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 7. The Purchaser will pay **Forest Improvement fees** and any special **Road Use and Maintenance fees** in addition to stumpage payments.
- 8. The successful bidder must sign an agreement that prohibits exporting State logs.
- 9. This sale is being sold based on the gross weight of all species. Minimum price and bid price is per ton. The price is for all species, green and dead. Billing will be based on gross weight. A weight ticket from a certified scale is required for every load.
- 10. The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood will be weighed and billed at per ton bid rates. The Department recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and the tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding.
- 11. DNRC does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not its market value. <u>Purchasers should make their own estimates based on contract requirements.</u>
- 12. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above. A tour of the sale is planned for July 1, 2008 since the section is behind a locked gate with limited access. Meet at Garrison Junction at 9:00 a.m. Please call Brian Robbins at (406) 563-6078 if you plan to attend.
- 13. Estimated stand data in this prospectus and volume estimates in the sale contract are not guaranteed.
- 14. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications								
Sale Data								
86	86 Net Sale Area (acres) .90 Miles of road construction							
September 1, 2009	Contract ending date 7.1 Miles of road maintenance							
N/A	N/A Cable logging required (% of volume) 0 Miles of road reclamation or al							
Operating Season: Log	Operating Season: Logging - 7/1/2008 – 9/1/2008; 12/1/2008 – 2/15/2009; 7/1/2009 – 8/15/2009							
Charges and Appraised Costs								
\$3,695.00	Bid Guarantee (total \$)							
20% of bid value	Performance Bond							
\$0	Collected Road Maintenance And Road Use Charges (\$ per ton)							
\$3.27	Collected Forest Improvement Fee (\$ per ton) Concurrent w/ stumpage.							
N/A	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)							
\$24,900	Road Development Costs - Appraised Purchaser-Do (total \$)							
\$0	Road Maintenance Costs - Appraised Purchaser-Do							
\$0	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)							
\$0	Timber Stand Improvement Costs - Appraised Purchaser-Do							

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid									\$17.56/ton
Gross Cubic Feet (in thousands)	4.8	130.1		75.6					210.4
% Cull and Breakage	.22	.27		.22					.25
Net Cubic Feet (in thousands)	3.7	94.8		58.8					157.3
Pounds per cubic foot	44	61.3		41.2					53.5
Net tons	81.2	2,907.6		1,219.9					4,208.7
Gross MBF (Scribner 6" top DIB)	24.9	495		291.5					811.4
Net MBF	19.4	359.3		225.9					604.6
Average logs per MBF	7.4	35.4		45.9					38.4
Average DBH	17.1	12.2		10.3					11.5
Average tons per acre harvested in leave-tree marked units 48.94								48.94	
	Average tons per acre harvested in cut-tree-marked units								
Average net MBF to cut per acre on the timber sale 7.030							7.030		
Range of cut trees per acre based on unit cruise 135							135		
Calculated Sampling Error (net MBF): 12.8%									
The total cruised volume will fall between 3,672 and 4,745 tons in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 6.96 net tons per MBF									

Version 5-03 2

TABLE 3: Unit Harvest Volume and Harvest Schedule							
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date		
1	16	86	4,209	604.6	August 15, 2009		

Additional Sale Information:

- 1. Purchaser will be required to power wash all off road harvesting equipment prior to entering State Land.
- 2. Purchaser will be required to furnish and install the following:
 - 2 18" X 26' CMP's * The DNRC will be providing 2 additional CMP's for installation including one large fish passage pipe.
 - 1 **18" X 30**' CMP
 - 1 USFS 14-90, HS-20 Load rating Cattle Guard (with railroad ties)

See contract for additional requirements.

 As part of an Aspen enhancement project within the harvest boundary, the purchaser will be required to use a singletooth ripper (or equivalent) and disturb a line around approximately 5 acres of aspen as identified by the Forest Officer.

Version 5-03





